

304.50-110 Statement of financial condition -- Contents.

- (1) In addition to reports required under KRS 304.50-060, each workers' compensation self-insured group shall file with the commissioner an annual statement of financial condition audited by an independent certified public accountant on or before one hundred and twenty (120) days from the end of the group's fiscal year for the immediately preceding fiscal year. The annual financial statement shall be on a form approved by the commissioner and in accordance with generally accepted accounting principles.
- (2) The annual financial statement shall include actuarially appropriate reserves for:
 - (a) Known claims and expenses related to such claims;
 - (b) Claims incurred but not reported and any expenses associated such claims; and
 - (c) Unearned premiums, contributions, and assessments.
- (3) The annual financial statement shall also include an actuarial opinion by a qualified actuary and a supporting reserve study regarding reserves for known claims and expenses associated with such claims. The reserve study shall include documentation sufficient for another actuary practicing in the same field to evaluate the work. The documentation shall describe clearly the sources of data, material assumptions, and methods.
- (4) The following statements shall be included with the annual financial statement:
 - (a) Balance sheet;
 - (b) Statement of gain or loss from operations;
 - (c) Statement of changes in financial position; and
 - (d) Notes to financial statements required by generally accepted accounting principles, which shall include a narrative explanation of all material transactions and balances of the self-insured group.
- (5) No person shall make a deceptive statement or fail to correct a misstatement in connection with the solicitation of membership of a self-insured group.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1640, effective July 15, 2010. -- Created 2005 Ky. Acts ch. 7, sec. 22, effective March 1, 2005.